




U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

SEP 18 2008

MEMORANDUM FOR: All Multifamily Hub Directors
All Multifamily Program Center Directors
All Multifamily Operation Officers
All Multifamily Headquarters Office Directors

FROM: 
Janet M. Golrick, Acting Deputy Assistant Secretary for
Multifamily Housing Programs, HT

SUBJECT: Clarification on HUD Model Leases

This memorandum is to notify you of a change in the Office of Management and Budget (OMB) requirements relative to the HUD model leases and to clarify the implementation of this change.

As you are aware, the HUD model leases were approved by OMB for the first time in March 2008. The approved leases included the OMB approval number and OMB expiration date. Based on discussions with our industry partners and multifamily staff, the Department recently requested and received permission from OMB to remove the OMB approval number and OMB expiration date from the HUD model leases generated by TRACS software or other software programs developed or purchased by owners and management agents. This eliminates the problem of owners and management agents who use the leases generated by their TRACS or other software programs needing to re-issue leases when there is a change in the OMB expiration date.

Please note that OMB is requiring that the leases posted on HUDCLIPS continue to include the OMB expiration date and the OMB approval number. Therefore, owners and management agents who do not have TRACS software or other software programs that generate their lease forms but use the leases posted on HUDCLIPS should now be using the leases (that include the OMB approval number and OMB expiration date) for new admissions and current tenants and will be required to re-issue leases to tenants when there is a change in the OMB expiration date.

Owners/management agents with leases that were modified prior to the release of the OMB approved HUD model leases may continue to use these leases as long as the modifications have been approved by the HUD office or Contract Administrator. The modified leases can be used until such time as HUD issues modifications to the language in the leases themselves. Any new lease modifications made by owners/management agents must be in the form of a lease addendum and

approved by the HUD Office or Contract Administrator. HUD Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, will be revised to include the lease addendum requirement.

When writing up management and occupancy reviews, HUD staff, Performance Based Contract Administrators (PBCAs) and Traditional Contract Administrators (TCAs) must not cite owners or management agents where they find that the Owner/Management Agent (O/A) is using a lease containing modifications approved prior to the release of the OMB approved model leases or is using a lease that does not include the OMB approval number or OMB expiration date. However, HUD staff, PBCAs and TCAs should continue to cite O/As for other lease related issues such as not using the correct model lease, modifying the lease without HUD or CA approval, etc.

Your assistance is requested in notifying your staff and Contract Administrators of the change in requirements relative to the HUD model leases and the lease addendum approval requirements.

If you have any questions on the above requirements, please contact Michael Sharkey at (202) 402-6788.